



All County Welfare Directors  
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period of ineligibility for nursing facility level of care.

The Medi-Cal cards that you will receive for the months remaining in your period of ineligibility for nursing facility level of care will say, "Long-Term Care Services Are Not Covered" to let providers know that you are not eligible for long-term care. You will still be eligible to receive all other Medi-Cal services.

The period of ineligibility for nursing facility level of care was calculated as follows:

1. The fair market value of the item/money transferred was: \_\_\_\_\_.
2. The amount which you received in return was: \_\_\_\_\_.
3. The amount transferred for less than fair market value is: \_\_\_\_\_.
4. The amount of your (and your spouse's if applicable) property which would have been countable by Medi-Cal at the time of the transfer was: \_\_\_\_\_.
5. The total of the amount transferred for less than fair market value and countable property is: \_\_\_\_\_.
6. The Medi-Cal property limit (if this is an application for an institutionalized spouse, include the amount for the community spouse, if applicable) is: \_\_\_\_\_.
7. The amount that would have been transferred to be eligible for Medi-Cal is: \_\_\_\_\_.
8. The average monthly rate for a private patient in a

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nursing facility at the time of your transfer was: \_\_\_\_\_.

By dividing the amount you transferred to be eligible for Medi-Cal (line 7) by the average monthly rate (line 8), your period of ineligibility for nursing facility level of care is \_\_\_\_\_. The period cannot be more than 30 months."

Counties should then check and complete one of the following paragraphs.

" \_\_\_\_\_ You will receive restricted cards for \_\_\_\_\_ month(s) beginning on \_\_\_\_\_ and ending on \_\_\_\_\_.

\_\_\_\_\_ Because you did not receive a notice about this before, you will receive restricted cards for only \_\_\_\_\_ month(s) beginning on \_\_\_\_\_ and ending on \_\_\_\_\_. No other penalty will be added."

NOTE: Remember to include the MC 239 BACK, "Your Right to Appeal This Action", on the back of the notice of action.

In the future, when there has been a disqualifying transfer before or after the county implementation date, and the county has not been notified of the transfer, a potential overpayment may have occurred for benefits received on or after the county implementation date. Do not calculate overpayments for benefits received before the county implementation date. For these cases the following paragraph is applicable:

" \_\_\_\_\_ Because you did not tell your worker that you made this transfer, you will receive restricted cards for only \_\_\_\_\_ month(s) beginning on \_\_\_\_\_ and ending on \_\_\_\_\_. However, you may

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have received nursing facility level of care for which you were not eligible during the period beginning on \_\_\_\_\_ and ending on \_\_\_\_\_. If this is found to be true, you will be contacted."

SPECIFIC AREAS OF ACWDL 92-53 THAT NEEDED CORRECTIONS

Page 2 of ACWDL, No. 92-53 erroneously contained notes which should not have been included. The use of these notations will result in erroneous calculations. Please omit the parenthetical notations after items 3, 5, and 7 as follows:

Item 3 should state: "The amount transferred for less than fair market value is: \_\_\_\_\_."

Item 5 should state: "The total of the amount transferred for less than fair market value and countable property is: \_\_\_\_\_."

Item 7 should state: "The amount that would have been transferred to be eligible for Medi-Cal is: \_\_\_\_\_."

Item number 6 states: "The Medi-Cal property limit: \_\_\_\_\_." This should state: "The Medi-Cal property limit (if this is an application for an institutionalized spouse, include the amount for the community spouse, if applicable) is: \_\_\_\_\_."

POSSIBLE MISINTERPRETATIONS

First of all, the basic language is to be used only for notices of action. The period of ineligibility must be computed on the attached form MC 176 PI. The basic notice language provides only the basic information about the calculations and the methodology used for determining the period of ineligibility. The information required to complete the notice of action should be transferred from the MC 176 PI and inserted into the appropriate blanks. DO NOT ATTEMPT TO CALCULATE THE PERIOD OF INELIGIBILITY ON THE NOTICE OF ACTION.

In addition, it has been brought to the Department's attention that use of the phrase "countable property" might be unclear. Countable property is property which is both nonexempt and available property. Although the Department was not subject to the court order in Turner v. McMahon, counties

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should, whenever possible, in their notices of action, utilize language at the 4th grade level. Use of the word "countable" would be closer to that level.

The most recent update of the MC 176 PI was in February, 1992 (see attached). Supplies are available in the warehouse; however, because the expected usage of this form is very small, only 10,000 copies were ordered. Therefore, please order only what you expect to use. Counties may photocopy a supply rather than order copies from the warehouse if they choose to do so.

If you have any questions on this issue, please feel free to call Sharyl Shanen-Raya at (916) 657-2942.

Sincerely,  
ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Enclosure

### PERIOD OF INELIGIBILITY WORKSHEET

THIS ONLY APPLIES TO TRANSFERS MADE BY INSTITUTIONALIZED INDIVIDUALS OCCURRING ON OR AFTER JANUARY 1, 1990

- The period of ineligibility can be reduced whenever the institutionalized individual receives additional compensation.
- The period of ineligibility terminates if property is transferred back.

**A. DETERMINE THE UNCOMPENSATED VALUE**

- 1. Net Market Value of nonexempt resource transferred 1. \_\_\_\_\_
- 2. Amount of compensation received in excess of encumbrances and closing costs 2. \_\_\_\_\_
- 3. Uncompensated Value (line 1 minus 2) 3. \_\_\_\_\_

**B. DETERMINE THE UNCOMPENSATED VALUE TRANSFERRED TO ESTABLISH ELIGIBILITY**

- 4. Uncompensated Value (from line 3) 4. \_\_\_\_\_
- 5. Amount of nonexempt resources available to the institutionalized individual at the time of the transfer. (If applicant is an institutionalized spouse with a community spouse, include nonexempt resources available to the spouse) 5. \_\_\_\_\_
- 6. Total of line 4 plus line 5 6. \_\_\_\_\_
- 7. Enter \$2,000.00 [If applicant is an institutionalized spouse with a community spouse, include the Community Spouse Resource Allowance (CSRA) in effect at the time of the transfer.] 7. \_\_\_\_\_
- 8. Uncompensated Value which would have resulted in excess property, transferred to establish eligibility (line 6 minus line 7) 8. \_\_\_\_\_

Note: If the remainder is zero or less, there is no property transferred to establish eligibility. DO NOT CONTINUE.

**C. PERIOD OF INELIGIBILITY**

- 9. Uncompensated Value transferred to establish eligibility (from line 8) 9. \_\_\_\_\_
- 10. Amount of applicable Average Private Pay Rate (APPR) 10. \_\_\_\_\_
- 11. Months of ineligibility (divide line 9 by line 10) 11. \_\_\_\_\_

**NOTE: Period of ineligibility CANNOT exceed 30 months. Round down to the nearest whole number. If the result is less than one, there is no period of ineligibility. DO NOT CONTINUE.**

- 12. Total the number of months between the transfer and the application, or current month if person is a beneficiary. (Begin with the month of the transfer, excluding the month of application or current month if person is a beneficiary.) 12. \_\_\_\_\_
- 13. Months remaining (line 11 minus 12) 13. \_\_\_\_\_

If months remaining is zero, person is eligible.

- 14. If months remaining is greater than zero, period expires on \_\_\_\_\_ (Begin with the month of application, or the current month if the person is a beneficiary.)

- 15. Did the person receive Medi-Cal, for nursing facility level of care, for any month in line 12, prior to the expiration of the number of months in line 11?  YES  NO

If yes, there is an overpayment for nursing facility level of care in those months.